

109 SW 9th Street Suite 600 Topeka, KS 66612

Joshua A. Ney, Commissioner

www.ksc.ks.gov
Sam Brownback, Governor

Investor Services: 1-800-232-9580

Phone: (785) 296-3307

Fax: (785) 296-6872

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Media Contact: Caley Love, Director of Communications

Phone: 785-296-3580

Email: <a href="mailto:caley.love@ksc.ks.gov">caley.love@ksc.ks.gov</a>

## ABC's 'Madoff' miniseries gives Real-Life Lessons in Dangers of Financial Fraud

Kansas Securities Commissioner and U.S. Senator partner to give warning of the detrimental effects of financial abuse to investors.

**TOPEKA, Kan., (Feb. 2, 2016) –** Kansas Securities Commissioner Josh Ney and United States Senator Jerry Moran (R-Kan.) have teamed up for a series of public service announcements about investment fraud surrounding the release of a new ABC miniseries profiling Bernie Madoff, America's most notorious fraud artist. ABC's television miniseries, titled *Madoff*, airs this Wednesday, Feb. 3 and Thursday, Feb. 4 from 7:00PM-9:00PM on local ABC providers. "There is much to be learned from this real-world story of a complex fraud that stole billions of dollars out of the pockets of real investors," said Ney.

Alongside Commissioner Ney, Senator Moran feels this is an opportune time to help educate Kansans about the dangers of financial crimes. Serving on the U.S. Senate Banking Subcommittee on Securities, Insurance, and Investments, Senator Moran is involved in Congressional oversight of federal efforts to protect investors. "Financial education is an important aspect of consumer protection. I am committed to making certain Kansans have the resources necessary to be financially informed," Senator Moran said.

The Office of the Kansas Securities Commissioner (KSC) exists to protect and inform Kansas investors. Financial crimes can be devastating, and unfortunately, they have one of the highest rates of being unreported and undetected. This is often due to the fact that it can be very embarrassing to victims to be duped by con men. Ney encourages Kansans to be on the lookout for signs that an investment may be fraudulent. Here are five red flags to watch out for when citizens are considering investing:

- 1. **If an investment sounds too good to be true, it probably is!** Be wary of investments with incredibly high returns.
- 2. **Who is offering the investment?** Is the individual registered with the KSC? If not, that could be cause for concern. Investors can check the registration status and conduct a background check on financial professionals by going to the KSC's website: <a href="www.ksc.ks.gov/BackgroundCheck">www.ksc.ks.gov/BackgroundCheck</a>.
- 3. **Is what is being offered exclusive, rare, or scarce?** Don't be pressured to act quickly. Take time to check out investments. As the Madoff character says in the movie trailer, "You want to know how to get people to trust you with their money? You present it as an exclusive thing."
- 4. Are you really interested in the investment or are you feeling pressured that "everyone else is doing it?" A widely used persuasion tactic is social consensus, which is when one feels peer pressured into making a decision because others are doing it and not that it is necessarily in their best interest.
- 5. **Is there a gift involved?** As they say, there is no such thing as a free lunch. Be aware of situations where something is being offered for free. Don't feel pressure to invest just because the pitch involves receiving a gift that does not come close to equaling the amount being asked to commit to.

"See how many of the above tactics Madoff uses as you watch the movie," said Ney. "Then try and recognize these red flags when seeking out your own investment opportunities."

State and federal authorities need your help detecting financial crimes. If you run into an investment that you believe might be a fraud, contact the KSC at <u>1-800-232-9580</u> or by email at <u>ksc@ksc.ks.gov</u>.

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The mission of the Office of the Kansas Securities Commissioner (KSC) is to protect and inform Kansas investors; to promote integrity, fairness, and full disclosure in financial services; and to foster capital formation.